

1951

GOVERNMENT IN HAWAII

A Handbook of FINANCIAL STATISTICS

1951

ABRIDGED EDITION



TAX STUDY COMMITTEE
Chamber of Commerce of Honolulu
HONOLULU, HAWAII, U.S.A.

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FOREWORD

This is an abridged edition of the Handbook of Financial Statistics published by the Tax Study Committee of the Chamber of Commerce of Honolulu.

This edition represents a selection of the most important and pertinent information contained in the original handbook, which has received a very gratifying reception by legislators, public officials and citizens interested in the financial problems of the Territory of Hawaii. Copies of the original edition are available to those interested.

Problems faced by Hawaii's Legislature emphasize the importance of financial decisions which in the final analysis can only be made by the people themselves. It is hoped that this handbook will serve as a factual contribution to public understanding of these problems.

Acknowledgment is gratefully made for the generous assistance given by the director of the budget, the auditor, the tax commissioner, the treasurer, and other officials of the territorial and county governments, which made the compilation of this information possible.

March, 1951

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THE MONEY THE GOVERNMENT TAKES

With government becoming a more important factor in the life of every individual each day, it is important to measure and weigh the financial contributions which government exacts from the citizens.

This section of the handbook presents facts relating to the sources of funds collected by the federal, territorial and county governments in Hawaii, together with certain data designed to provide a frame of reference for analyzing the figures.

In studying these charts, one is struck immediately by the tremendous increase in tax collections since ten years ago. In 1941, for example, federal tax collections in Hawaii were approximately \$14 million, as compared to \$81 million in 1950.

Federal collections for 1950 were well below the peak reached in 1945. In part this is due to reduction—temporary, it now appears—of the wartime federal tax rates, and in part to deflation of the swollen wartime economy. Federal collections for 1951 will undoubtedly show an upward trend from 1950.

In contrast to decreasing federal taxes, territorial tax collections during the same period showed a practically uninterrupted upward trend—due principally to rate increases to meet increased governmental costs. Due to the effects of the longshoremen's strike, 1950 declined slightly from 1949, but 1951 will probably resume the upward climb. Increase in collections have been primarily from gross income and compensation and dividends taxes. The charts on pages 12 and 13 show graphically the changing sources of territorial revenue.

County revenues during the same period have increased at a somewhat slower rate.

For purposes of comparison, tables on pages 17—19 show rates in effect in states which use income taxes and sales taxes.

CONSOLIDATED STATEMENT — REVENUE RECEIPTS ALL FUNDS¹

TERRITORY OF HAWAII

Character of Receipt	1941-1943	1943-1945	1945-1947	1947-1949	Fiscal 1950
(a) Taxes					
Property	\$ 2,128,397	\$ 23,820	\$ 21,957	\$ 17,452	\$
Income	12,084,609	22,990,350	24,055,396	29,915,777	13,862,210
Inheritance and Estate.....	299,589	595,283	1,430,873	605,855	289,566
Business License Taxes	24,085,777	30,450,402	38,711,493	53,475,011	27,207,518
Non-Business Licenses and Permits.....	421,196	848,008	500,474	408,987	190,780
Unemployment Compensation	5,071,173	3,619,833	3,543,086	4,941,198	2,496,062
Poll	1,476,852	153,974	59,732	59,732	.....
Total: Taxes	\$45,567,593	\$58,681,671	\$68,323,011	\$ 89,407,701	\$44,046,136
(b) Non-Taxes					
Grants—Federal Government and Counties.....	\$ 5,148,163	\$ 8,070,476	\$ 8,326,868	\$ 19,364,421	\$13,775,844
Rents of Investment Properties.....	1,369,463	1,479,847	2,029,322	2,398,083	1,171,300
Interest	2,268,840	2,486,467	1,822,823	1,780,198	798,179
Earnings of General Departments.....	3,507,384	6,329,761	6,187,700	7,640,878	5,152,595
Miscellaneous	830,906	882,583	293,836	238,695	124,099
Total: Non-Taxes	\$13,124,756	\$19,249,133	\$18,660,550	\$ 31,422,275	\$21,022,017
Total: Revenue Receipts	\$58,692,349	\$77,930,803	\$86,983,561	\$120,829,976	\$65,068,153

¹ Detail will not necessarily add to totals because of rounding.

Source: Territorial Auditor, Annual and Biennial Reports.

1951 ed.

TOTAL TAXES COLLECTED IN HAWAII **1942 - 1950**

Year	Federal ¹	Territorial ¹	County ²	Total
1942.....	\$ 32,416,909	\$27,832,758	\$2,146,441	\$ 62,396,108
1943.....	76,482,263	36,589,997	2,102,733	115,174,993
1944.....	150,781,310	40,476,584	2,040,661	193,298,555
1945.....	173,999,227	40,450,649	2,175,144	216,625,020
1946.....	141,554,403	43,754,214	2,311,949	187,620,566
1947.....	106,314,370	46,670,612	2,693,368	155,678,350
1948.....	108,177,887	62,497,296	3,232,561	173,907,744
1949.....	91,203,211	66,294,893	3,714,801	161,212,905
1950.....	81,062,910 ³	65,147,801	4,008,683	150,219,394

¹ Fiscal year ending June 30.

² County taxes are for prior calendar year and include special taxes, business licenses and non-business licenses.

³ Preliminary.

Source: Annual Reports of the Commissioner of Internal Revenue, U. S. Treasury Department.
Reports of Territorial Tax Commissioner, Auditor and Treasurer.
Annual County Reports.

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TOTAL TAX COLLECTIONS IN HAWAII

By Source — Fiscal Years

	1949	1950
Net Income (Individual)		
Federal	\$57,485,082	\$49,971,885 ¹
Territorial	1,495,321	1,381,138
	<u>\$ 58,980,403</u>	<u>\$ 51,353,023</u>
Net Income (Corporation)		
Federal	\$19,823,916	\$18,196,916 ¹
Territorial	3,898,933	3,440,892
	<u>23,722,849</u>	<u>21,637,808</u>
Total Net Income Tax.....	\$ 82,703,252	\$ 72,990,831
Compensation & Dividends ²	9,798,167	9,040,180
Gross Income Tax.....	26,887,753	25,977,212
Unemployment Comp.	2,571,580	2,498,732
Fuel Tax	5,942,601	5,980,733
Liquor Tax	1,653,057	1,667,716
Tobacco Tax	643,091	945,410
Real Property Tax.....	9,777,269	10,874,336
Public Utilities Tax.....	1,939,010	1,949,337
Inheritance Tax	310,672	289,566
Insurance Tax	934,231	705,055
Bank Excise Tax.....	125,000	125,000
Other Taxes		
Federal	\$13,894,213	\$12,894,109 ¹
Territorial	318,208	272,494
County ³	3,714,801	4,008,683
	<u>17,927,222</u>	<u>17,175,286</u>
Total	<u>\$161,212,905</u>	<u>\$150,219,394</u>

¹ Preliminary.

² Includes Public Welfare Tax Collections.

³ Prior calendar year; includes special taxes, business and non-business licenses.

Source: Office of the Collector of Internal Revenue, Honolulu.

Territorial Auditor's, Treasurer's, and Tax Commissioner's Reports.

County Auditors' Reports.

1951 ed.

FEDERAL TAX COLLECTIONS IN HAWAII

Fiscal Year Ending June 30

Year	Corporate Income	Individual Income	All Others ¹	Total
1941.....	\$ 5,085,314	\$ 3,973,438	\$ 4,932,614	\$ 13,991,366
1942.....	12,851,716	11,274,273	8,290,920	32,416,909
1943.....	27,884,720	35,572,103	13,025,440	76,482,263
1944.....	41,827,016	91,312,915	17,641,379	150,781,310
1945.....	42,544,161	107,246,659	24,208,407	173,999,227
1946.....	34,912,558	85,783,431	20,858,414	141,554,403
1947.....	23,096,662	68,568,719	14,648,989	106,314,370
1948.....	17,893,777	75,179,180	15,104,930	108,177,887
1949.....	19,823,916	57,485,082	13,894,215	91,203,213
1950.....	18,196,916	49,971,885	12,894,109 ²	81,062,910 ²

¹ Miscellaneous direct internal revenue taxes, including employment taxes, distilled spirits taxes, capital stock tax, estate tax, gift tax, etc.

² Preliminary.

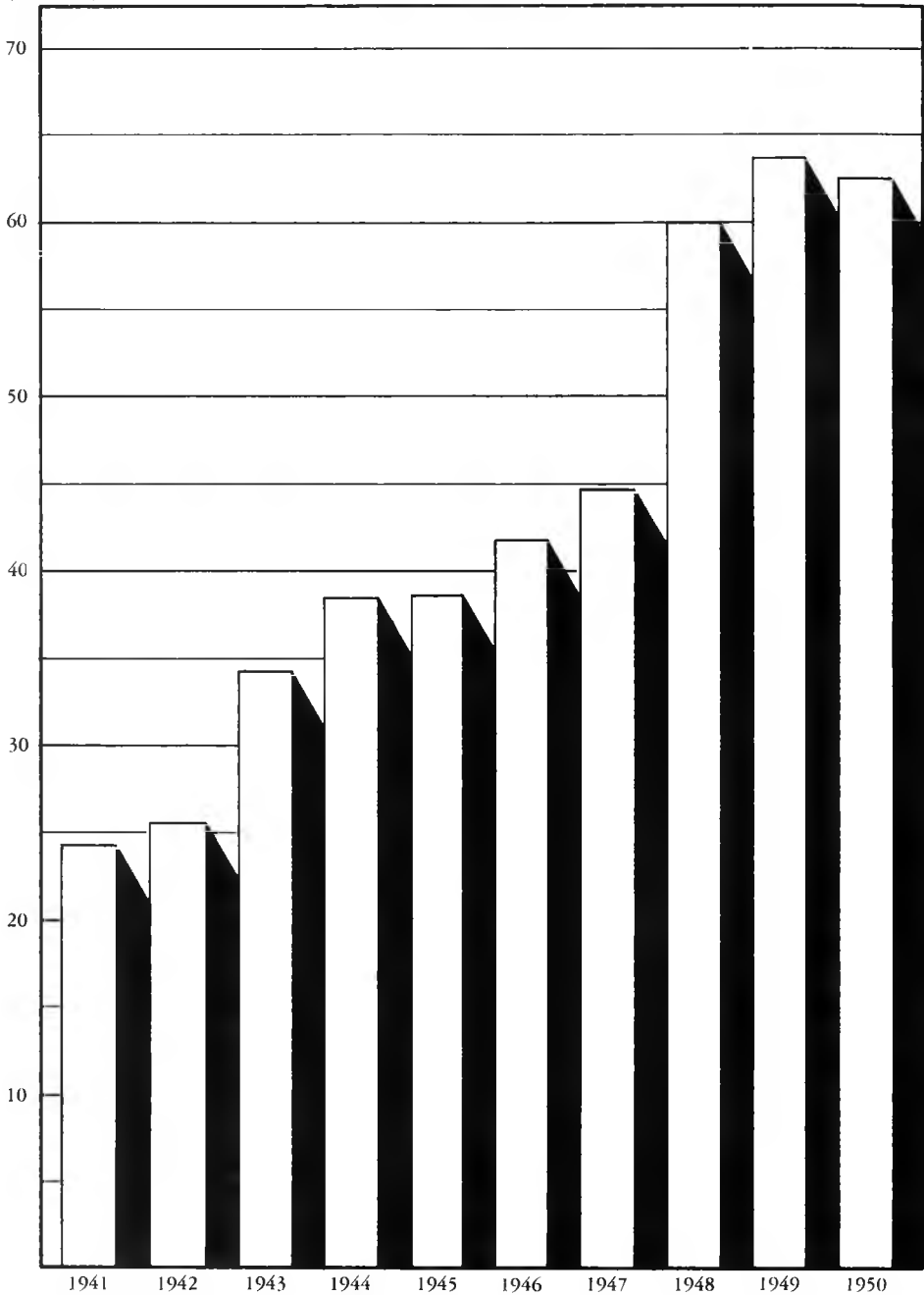
Source: Annual Reports of the Commissioner of Internal Revenue, U. S. Treasury Department.

TERRITORIAL TAX COLLECTIONS

FISCAL YEARS 1941-1950

DOLLARS
(Millions)

(Unemp. Comp. excluded)



SOURCE: *Territorial Treasurer's, Auditor's, and Tax Commissioner's Reports.*

TERRITORIAL TAX COLLECTIONS¹

Fiscal Years 1941-1950

(IN THOUSANDS)

	1941	1942	1943	1944	1945	1946	1947	1948	1949	1950
Gross Income ²	\$ 5,760	\$ 6,922	\$10,795	\$10,964	\$ 9,866	\$11,299	\$12,684	\$25,096	\$26,888	\$25,977
Compensation and Dividends ³	1,032	1,240	1,880	6,653	8,487	8,639	8,990	9,999	9,798	9,040
Real Property	6,266	6,243	6,105	6,474	6,329	6,763	7,491	8,680	9,777	10,874
Personal Property ⁴	3,384	3,486	3,730	4,019	3,808	3,836	4,098	1,166	12	7
Fuel	2,447	542	1,564	1,557	1,712	2,316	3,119	5,252	5,943	5,981
Net Income, Corporate and Individual	2,546	3,601	5,364	4,289	3,562	3,362	3,065	4,724	5,394	4,822
Public Utilities	1,034	1,181	1,391	1,624	1,811	1,912	1,792	1,785	1,939	1,949
Bank Excise	50	49	50	50	50	51	87	125	125	125
Liquor	585	684	805	1,455	1,755	1,989	1,425	1,631	1,653	1,668
Tobacco	281	362	420	418	413	453	484	567	643	945
Inheritance	102	161	139	370	225	549	882	295	311	290
Insurance	243	226	456	434	409	504	474	476	934	705
All Others ⁵	873	932	945	310	234	262	352	314	306	266
Total	\$24,603	\$25,628	\$33,644	\$38,617	\$38,662	\$41,936	\$44,942	\$60,110	\$63,723	\$62,649

¹ Unemployment Compensation Collections excluded. Detail will not necessarily add to totals because of rounding.

² Includes Business Excise Tax repealed July 1, 1935.

³ Includes Public Welfare Tax repealed July 1, 1943.

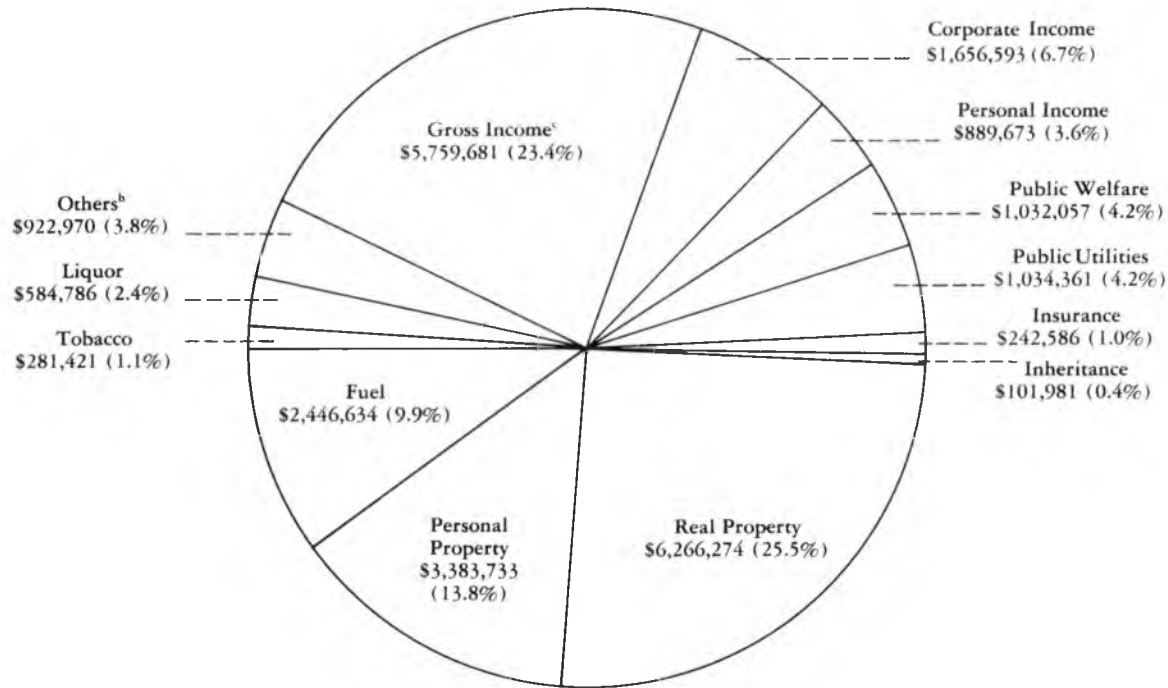
⁴ Repealed January 2, 1948.

⁵ Includes other Business and Non-Business License Taxes.

Source: Statement of Tax Collections, Fiscal Years July 1, 1938 to June 30, 1950, inclusive. Tax Commissioner, T. H.; Territorial Treasurer's Reports; Territorial Auditor's Reports.

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TERRITORIAL TAX COLLECTIONS^a FOR THE FISCAL YEAR 1941



TOTAL—\$24,602,750

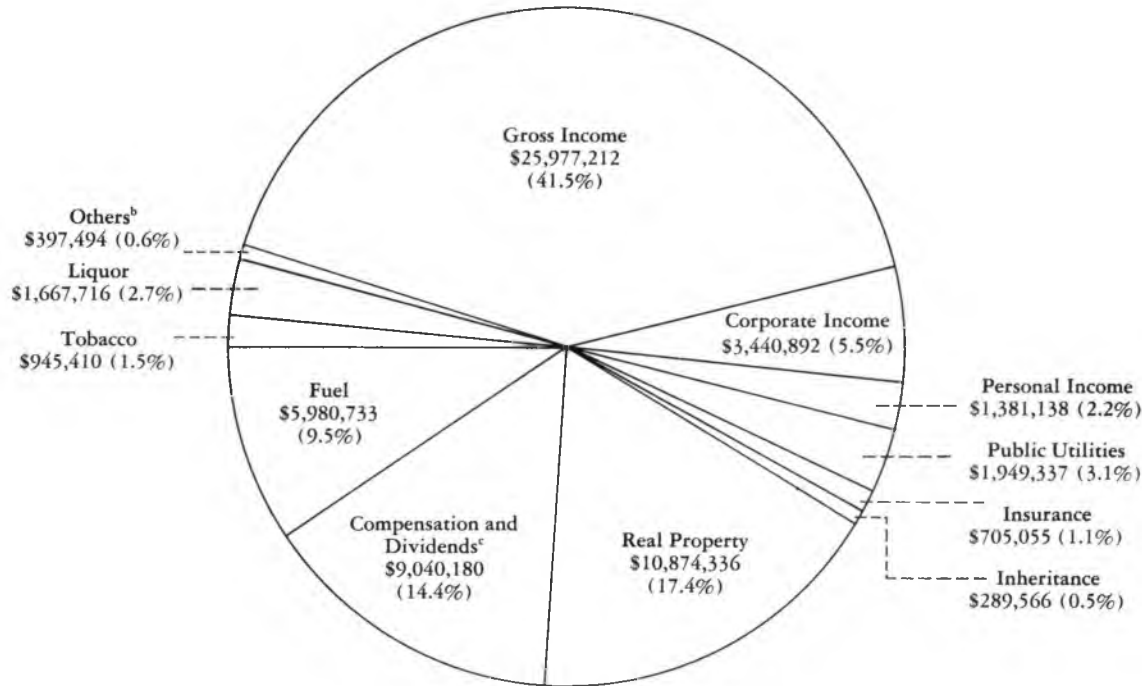
SOURCE: *Territorial Auditor's, Treasurer's, and Tax Commissioner's Reports.*

^a Unemployment Compensation Collections excluded.

^b Includes Business Excise Tax Collections.

^c Includes miscellaneous Business and Non-Business License Taxes.

TERRITORIAL TAX COLLECTIONS^a FOR THE FISCAL YEAR 1950



TOTAL—\$62,649,069

SOURCE: *Territorial Auditor's, Treasurer's, and Tax Commissioner's Reports.*

^a Unemployment Compensation Collections excluded.

^b Includes miscellaneous Business and Non-Business License taxes.

^c Includes Public Welfare Tax Collections.

INDIVIDUAL NET INCOME TAX STATISTICS¹

(1949 Income)

Taxable Income	Number of Returns	Income Less Deductions ²	Exemp- tions ³	Taxable Income	Total Tax	Tax Credit ⁴	Tax Liability	
							Amount	% of Total
None	48,478	\$147,182,218	\$ 98,398,080	\$ 48,784,139	\$1,500,777	\$1,500,777	.....	.....
\$ 1-\$ 5,000	27,071	117,995,309	44,820,976	73,174,332	2,200,238	1,440,719	\$ 759,520	59.6%
5,001- 10,000	1,500	17,801,853	3,187,883	14,613,969	457,451	183,886	273,565	21.5
10,001- 20,000	394	8,527,078	762,797	7,764,281	257,714	86,058	171,656	13.5
20,001- 40,000	62	2,131,419	126,200	2,005,219	73,751	23,670	50,081	3.9
40,001- 70,000	5	262,427	9,800	252,627	9,985	4,308	5,677	.4
70,001- 100,000	2	370,388	4,433	365,955	18,407	5,071	13,336	1.0
Total	77,512	\$294,270,693	\$147,310,170	\$146,960,523	\$4,518,324	\$3,244,490	\$1,273,834	100.0%

¹ Details may not add to totals due to rounding.

² Total income for tax purposes less deductions authorized by law.

³ Includes distribution of income to beneficiaries.

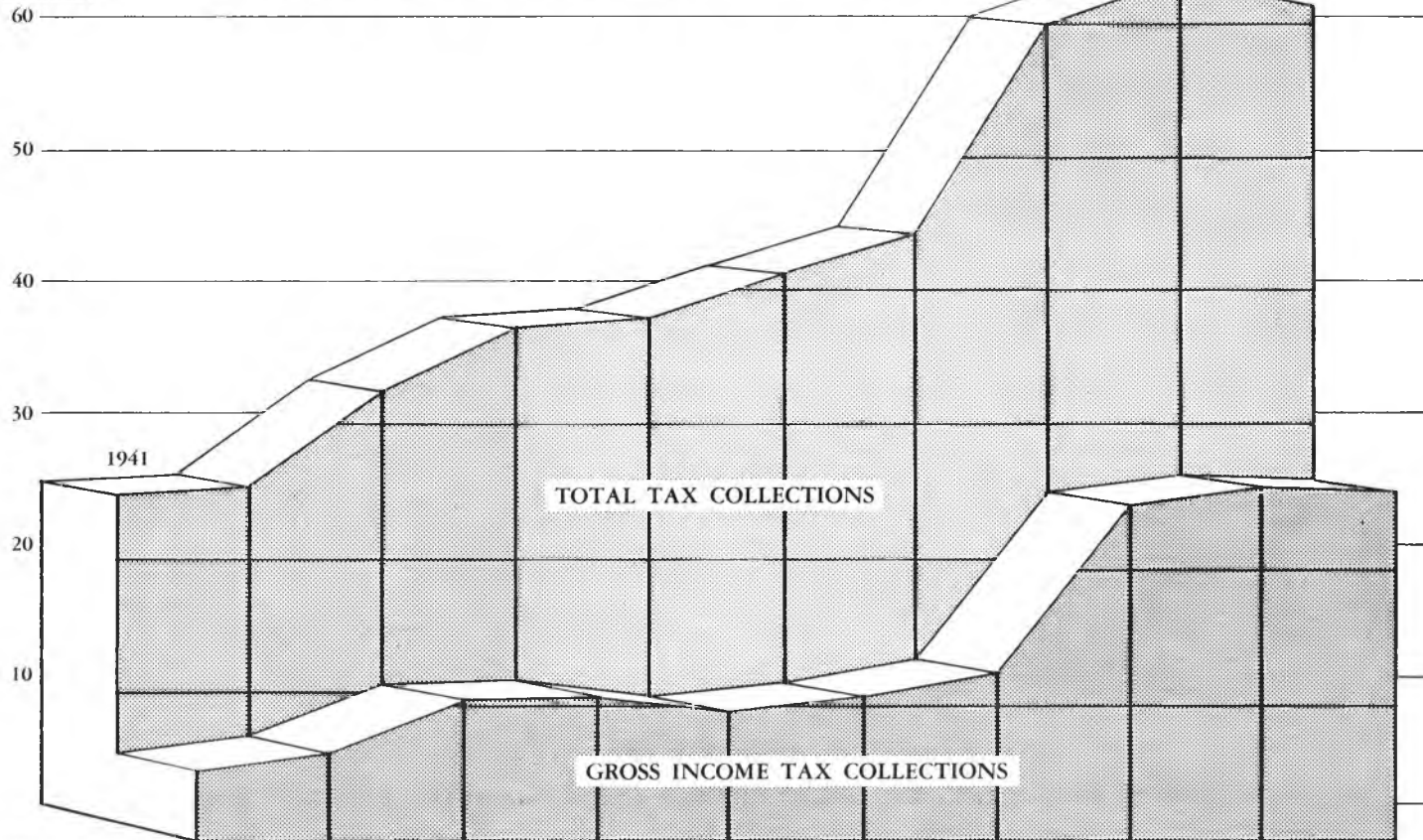
⁴ 75% of Compensation and Dividends Tax paid on dividends received.

Source: Office of Territorial Tax Commissioner, Bureau of Net Income Tax.

COMPARISON OF GROSS INCOME AND TOTAL TAX COLLECTIONS

TERRITORY OF HAWAII—FISCAL 1941-1950

DOLLARS
(Millions)



^a Unemployment Compensation Collections excluded.

GENERAL EXCISE, CONSUMPTION AND COMPENSATING TAX COLLECTIONS IN HAWAII¹

(In Thousands)

	1941	1942	1943	1944	1945	1946	1947	1948	1949	1950
Retailing	2,433	3,251	4,332	5,650	5,277	6,115	6,644	11,646	11,996	11,889
Sugar Processing	729	754	879	925	872	863	905	2,043	2,032	2,263
Producing	23	22	27	48	45	43	45	458	565	541
Wholesaling	272	333	407	497	562	559	655	2,179	2,304	1,976
Manufacturing	41	58	63	60	51	54	49	679	886	869
Printing & Publishing ..	22	81	56	65	79	112	114	206	208	201
Canning	627	646	710	741	542	658	743	1,536	2,011	1,793
Service, Bus. & Prof...	342	431	559	700	690	849	1,004	1,744	1,778	1,648
Contracting	328	314	2,595	929	429	549	929	1,569	1,716	1,406
Theater, Amse., Radio	86	101	151	239	199	223	210	334	322	328
Interest	51	50	42	34	31	30	35	67	87	110
Commissions	125	141	160	193	224	235	263	462	493	470
Rentals	321	412	446	525	457	529	592	1,119	1,345	1,340
All Others	131	94	180	178	254	261	204	418	346	396
Penalties	4	2	3	3	3	10	11	14	21	28
Sub-Total	5,534	6,692	10,609	10,786	9,716	11,091	12,405	24,472	26,111	25,260
Licenses & Registration Fees....	29	30	34	35	36	37	39	49	40	40
Consumption	168	199	152	143	114	170	241	394	448	374
Compensating								189	289	303
Total	5,731	6,921	10,794	10,964	9,866	11,298	12,684	25,095	26,888	25,977

¹ Detail will not necessarily add to totals because of rounding.

Source: Office of the Tax Commissioner, Territory of Hawaii.

STATE INDIVIDUAL INCOME TAX RATES

As of September 1, 1950

EXEMPTION AND CREDIT

	Tax Rate	Married or Head of Family	Single	Credit for Each De- pendent	Federal Income Tax Deductibility ¹
HAWAII	3-6%	\$2000	\$1000	\$200	Allowed
Alabama.....	1.5-5	3000	1500	300	Allowed
Arizona.....	1-4.5	20 ²	10 ²	4 ²	Allowed
Arkansas.....	1-5	3500	2500	400	Not Allowed
California.....	1-6	3500	2000	400 ³	Not Allowed
Colorado.....	1-10 ⁴	750 ⁵	750 ⁵	750	Allowed
Delaware.....	1½-6½	1040	1040	520	Not Allowed
Georgia.....	1-7	2500	1000	400	Allowed
Idaho.....	1½-8	1500	700	200 ³	Allowed
Iowa.....	1-5 ⁶	30 ²	15 ²	750 ²	Allowed
Kansas.....	1-4	600	600	600	Allowed
Kentucky.....	2-6	40 ²	20 ²	10 ^{2,3}	Allowed
Louisiana.....	2-6	2500	1000	400 ³	Allowed
Maryland.....	2-5	2000 ⁵	1000 ⁵	600 ^{3,5}	Not Allowed
Massachusetts.....	1½-6 ⁷	2500 ^{8,9}	2000 ⁸	250 ⁸	Allowed ⁸
Minnesota.....	1-10 ¹⁰	30 ²	10 ²	10 ^{2,3}	Allowed
Mississippi.....	1-6	2500	1000	400	Not Allowed
Missouri.....	1-4 ¹¹	2400	1200	400 ³	Allowed
Montana.....	1-4	2000	1000	300 ³	Allowed
New Hampshire.....	1949 Rate	.....	.....	.....	Not Allowed
	\$4.31 per \$100				
New Mexico.....	1-4	2500 ⁹	1500	200	Allowed
New York.....	2-7 ¹²	2500	1000	400	Not Allowed
North Carolina.....	3-7	2000	1000	300	Not Allowed
North Dakota.....	1-15	1500	500	500 ³	Allowed
Oklahoma.....	1-6	2000	1000	500 ³	Allowed
Oregon.....	2-8	1500	750	300 ³	Allowed
South Carolina.....	2-5	1800	1000	200	Not Allowed
Tennessee.....	4-6	.....	.....	.....	Not Allowed
Utah.....	1-5	1200	600	300	Allowed
Vermont.....	1½-5½	1000 ^{10,5}	500 ⁵	500	Not Allowed
Virginia.....	2-5	2000 ⁵	1000 ⁵	200 ³	Not Allowed
Wisconsin.....	1-7 ¹³	17.50 ²	8 ²	4 ²	Limited to 3% of Net Income

¹ In general, limited to taxes paid on income subject to the state income tax.

² Deducted from tax.

³ No credit for 1st dependent of head of family not living with spouse.

⁴ Plus a surtax of 2% on income of \$200 derived from dividends, royalties, etc. Credit of 20% is allowed for one taxable year.

⁵ Additional credit allowed taxpayers over 65 years of age.

⁶ 25% credit allowed.

⁷ In addition, there are the following taxes: (a) a surtax of 20% of the regular income tax, and (b) an additional surtax equal to 3% of the regular income tax (for old age assistance).

⁸ Applicable only to earned and business income.

⁹ Applicable only if taxpayer lives with husband or wife.

¹⁰ In addition, there are the following taxes: (a) a surtax equal to 5% of rate and (b) an additional tax of \$5 per person filing a return.

¹¹ Deductions from tax graduated from \$5 to \$135.

¹² Capital gains taxed at ½ regular rates. Income from unincorporated business taxed at 3%.

¹³ In addition, there are the following taxes: (a) a surtax computed by deducting \$37.50 and the personal exemptions from the regular income tax and dividing the remainder by 6; and (b) an additional surtax equal to 25% of the regular income tax.

Source: The Tax Foundation: *Facts and Figures on Government Finance—1950-1951*.

STATE CORPORATION INCOME TAX RATES

As of September 1, 1950

State	Corporation Net Income Tax Rates	Deductibility of Federal Tax ¹
HAWAII	10%	Allowed
Alabama.....	3%	Allowed
Arizona.....	Graduated 1%— 5%	Allowed
Arkansas.....	Graduated 1%— 5%	Not Allowed
California.....	4%	Not Allowed
Colorado.....	5% (20% credit allowed for 1 taxable year)	Allowed
Connecticut.....	3% ² (Minimum tax \$15)	Not Allowed
Georgia.....	7% ²	Allowed
Idaho.....	Graduated 1½%—8%	Allowed
Iowa.....	2%	Allowed
Kansas.....	2%	Allowed
Kentucky.....	4.5%	Allowed
Louisiana.....	4% ³	Allowed
Maryland.....	4% ⁴	Not Allowed
Massachusetts.....	2½% ⁵	Not Allowed
Minnesota.....	6%; Minimum tax (add. 5% surtax plus \$5)	Allowed
Mississippi.....	Graduated 1%— 6%	Not Allowed
Missouri.....	2%	Allowed
Montana.....	3%; Minimum tax \$5	Allowed
New Mexico.....	2%	Allowed
New York.....	5½%; Min. tax \$25 ² ; add. tax of ⅛ to ½ mill per dollar of allocated subsidiary capital	Not Allowed
North Carolina.....	6%	Not Allowed
North Dakota.....	Graduated 3%— 6%	Allowed
Oklahoma.....	4%	Allowed
Oregon.....	8%; Minimum tax \$10 ⁶	Not Allowed
Pennsylvania.....	4%	Not Allowed
Rhode Island.....	4% ²	Not Allowed
South Carolina.....	4½% ²	Not Allowed
Tennessee.....	3¾%	Allowed
Utah.....	3%; Minimum tax \$10 ²	Allowed
Vermont.....	4%; Minimum tax \$25	Not Allowed
Virginia.....	5% ⁷	Not Allowed
Wisconsin.....	Graduated 2%— 6% ⁸	(Limited to 10% of net income)

¹ In general, deduction of federal taxes limited to tax paid on that part of income subject to state tax.

² There is an alternative method of computing the tax if it yields a greater tax.

³ Applies to net income in excess of that portion of \$3000 which the taxable net income bears to total net income.

⁴ Domestic corporations are allowed to credit against the tax franchise tax payments in excess of \$25.

⁵ In addition, there are the following taxes: (a) a temporary surtax equal to 20% of the regular income tax; (b) an additional surtax equal to 3% of the regular income tax (for old-age assistance); and (c) additional taxes equal to 3% of net income (for veterans' fund).

⁶ Subject to an offset for personal property taxes paid, up to 50% of the excise tax in the case of mercantile, manufacturing, and business corporations.

⁷ A credit up to 20% of tax is allowed for fiscal years ending in 1951, depending upon specified amount of receipts into the state treasury during the fiscal year ending June 30, 1951.

⁸ In addition, there is a surtax computed by deducting \$75 from the normal tax and dividing the remainder by six.

Source: The Tax Foundation: *Facts and Figures on Government Finance—1950-1951*.

STATE SALES, RECEIPTS AND SIMILAR TAX RATES

As of January 31, 1951

	Retail Sales ¹	Food Sales Exempt ²	Sales for Resale		
			Wholesaling ¹	Manufacturing ¹	Producing ¹
HAWAII	2 1/2 %	No	1 %	1 1/2 %	1 1/2 %
Alabama.....	2 ³	No			
Arizona.....	2	No			
Arkansas.....	2	No			
California.....	3	Yes			
Colorado.....	2	No			
Connecticut.....	2	Yes			
Florida.....	3	Yes			
Illinois.....	2	No			
Indiana.....	5/8	No	1/2	1/2	1/2
Iowa.....	2	No			
Kansas.....	2	No			
Louisiana.....	2	No			
Maryland.....	2	Yes			
Michigan.....	3	No			
Mississippi.....	2	No	1/8		
Missouri.....	2	No			
New Mexico.....	2	No	1/8	1/4	
North Carolina.....	3	Yes	1/20		
North Dakota.....	2	No			
Ohio.....	3	Yes			
Oklahoma.....	2	No			
Rhode Island.....	1	Yes			
South Dakota.....	3	No			
Tennessee.....	2	No			
Utah.....	2	No			
Washington.....	3 1/4	No	1/4	1/4	
West Virginia ⁴	2 1/2	No	195/1000	39/100	
Wyoming.....	2	No			

Note: Use tax is levied in all sales tax states except Arizona, Illinois, Indiana and Missouri.

¹ As defined by the state taxing.

² For home consumption.

³ One-half of 1% on sales of new automotive vehicles, truck-trailers and semi-trailers.

⁴ Tax credit of 10% is allowed.

Source: *State and Local Tax Service*, Prentice-Hall, Inc., New York City.

COUNTY REVENUES¹ — TERRITORY OF HAWAII

(IN THOUSANDS)

	1941	1942	1943	1944	1945	1946	1947	1948	1949
Real Property	\$ 6,104	\$ 6,006	\$ 6,371	\$ 6,487	\$ 6,482	\$ 6,573	\$ 8,306	\$ 8,836	\$10,706
Personal Property	1,809	2,593	3,550	3,795	3,795	3,795	4,045	14	20
Special Taxes	159	188	210	246	288	318	306	330	377
Gross Income Taxes.....							3,989	8,639	8,634
Liquid Fuel Licenses, Fees and Taxes.....	1,837	1,077	1,174	1,351	134	50	677	1,463	1,484
Other Business Licenses.....	341	212	409	343	293	372	428	454	440
Motor Vehicle and Other Vehicle Licenses	1,500	1,534	1,420	1,443	1,499	1,755	2,228	2,652	2,859
Other Non-Business Licenses and Fees.....	110	75	95	115	125	164	216	235	192
Fines, Forfeits and Escheats.....	294	105	864	758	753	657	786	770	542
Territorial Grants	820	284	387	740	4,076	4,117	3,421	1,313	2,357
Federal Grants	2	45	36	626	74	25	169	179	52
Other Donations	(²)	10	24	38	26	50	47	12	14
Rent of Investment Properties.....	30	34	74	33	45	61	74	68	69
Interest	52	10	12	8	8	8	12	17	17
Earnings of General Departments.....	528	592	832	938	1,109	1,224	1,354	1,131	1,172
Earnings of Public Service Enterprises ³	372	605	818	959	944	845	844	944	955
Total Revenue Receipts.....	\$13,959	\$13,370	\$16,275	\$17,881	\$19,653	\$20,014	\$26,903	\$27,056	\$29,889

¹ Detail will not necessarily add to total because of rounding.

² Less than \$500.

³ Excludes revenues Honolulu Board of Water Supply and suburban water systems which are self-supporting.

Source: County Auditors' Annual Reports.

HOW THE GOVERNMENT SPENDS YOUR MONEY

The preceding section presented data on how public funds are collected in Hawaii. This section shows the purposes for which these funds are spent by the Territory and by the counties.

As indicated by the chart on page 22, spending by the Territory deserves close analysis. Total expenditures of \$18 million in 1941 rose to \$76.7 million in 1950. (These figures include all funds expended by the Territory, with the exception of proceeds from the sale of public improvement bonds. They should not be confused with general fund expenditures on page 27.)

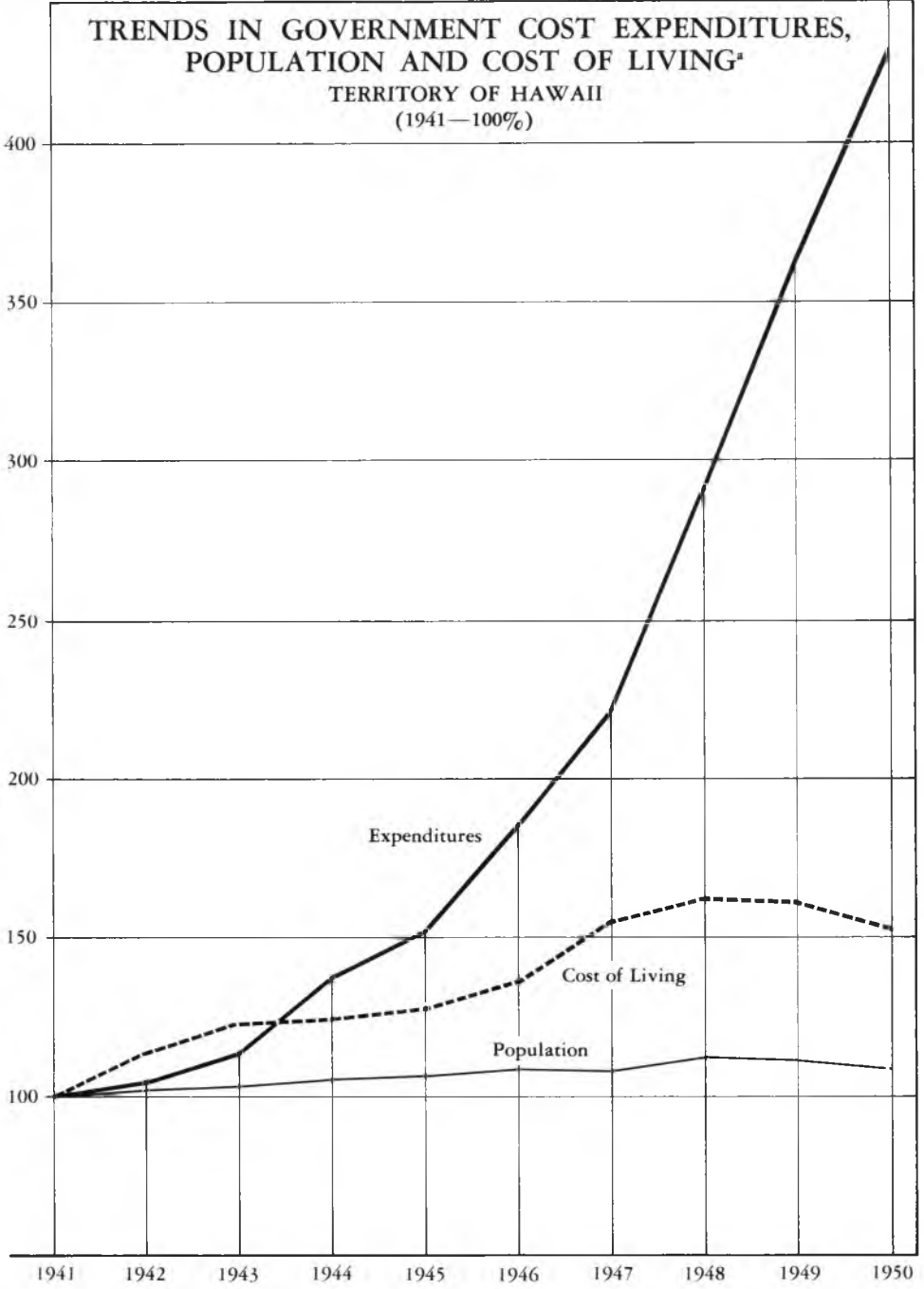
Comparison of the pie charts on pages 24 and 25 will reveal changed patterns of spending during the last 10 years. For example, the percentage of territorial funds devoted to education has declined, even though dollar expenditures for education rose from \$7.7 million in 1941 to \$18.9 million in 1950.

The table on page 27 shows general fund expenditures by departments for each of the last five bienniums. This is followed by a closer view of the spending for public schools, welfare, and the department of institutions—three of the largest spending agencies.

The table on page 31 gives a breakdown of county expenditures, which rose from approximately \$12 million in 1941 to \$32.8 million in 1949. (The counties operate on a calendar year basis, and 1950 figures are not yet available.)

The last table summarizes the purpose and year of issue of all outstanding territorial bonds and all territorial bonds authorized but not yet issued. It is noteworthy that the total of territorial bonds outstanding and authorized but unissued is \$54.8 million, while the limit on Hawaii's public debt set by Congress is \$50 million.

Per cent



^a Consumer's Price Index Average for years; Revised population estimates.

SOURCE: *Territorial Auditor's Reports*; *Hawaii Employers Council*.

GOVERNMENTAL COST PAYMENTS¹ — TERRITORY OF HAWAII

FISCAL 1941 - 1950

(In Thousands)

	1941	1942	1943	1944	1945	1946	1947	1948	1949	1950
General Government.....	\$ 1,333	\$ 1,256	\$ 1,541	\$ 1,481	\$ 2,008	\$ 2,585	\$ 3,275	\$ 3,562	\$ 5,051	\$ 5,621
Protection	657	1,305	740	1,363	1,474	1,218	1,334	2,494	3,401	5,981
Highways	779	829	2,061	3,223	2,189	3,420	3,101	3,880	7,618	10,157
Conservation of Natural Resources	625	611	664	974	1,007	980	1,210	1,369	1,512	1,520
Health and Sanitation.....	1,617	835	909	1,068	1,677	1,659	2,001	2,449	2,416	2,284
Hospitals, Charities and Correction	2,658	3,817	4,077	4,858	5,827	7,949	10,705	14,155	17,484	20,842
Schools ²	7,694	7,667	8,223	9,009	10,691	12,971	14,659	17,055	18,511	18,907
Libraries		226	287	287	339	359	387	485	738	708
Recreation	33	36	43	52	57	71	93	149	239	297
Miscellaneous	991	597	341	979	835	1,008	1,462	3,854	4,937	7,061
Public Service Enterprises.....	309	336	268	362	413	667	1,075	2,480	3,110	3,013
Interest	1,303	1,211	1,153	1,089	1,022	656	439	335	292	327
Total	\$18,000	\$18,726	\$20,307	\$24,743	\$27,540	\$33,543	\$39,740	\$52,269	\$65,308	\$76,718

¹ Detail will not necessarily add to totals because of rounding.

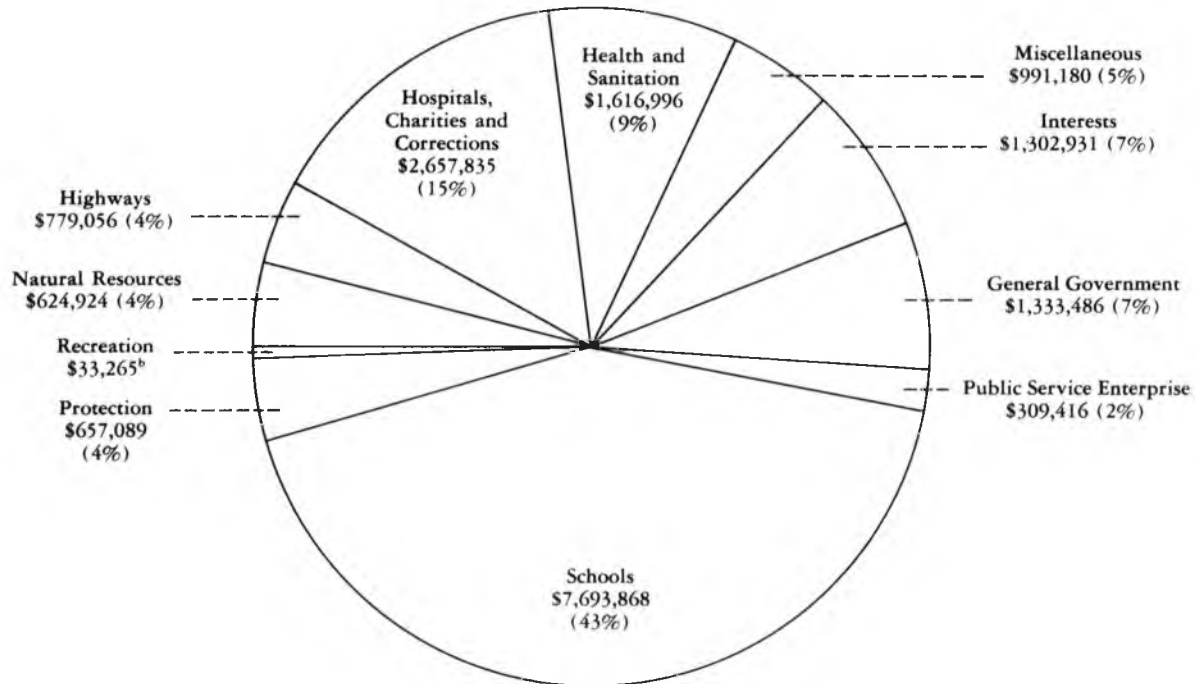
² Includes University of Hawaii.

Source: Territorial Auditor's Reports.

GOVERNMENTAL COST PAYMENTS^a

TERRITORY OF HAWAII

FISCAL 1941



1941—\$18,000,045

^a Detail will not necessarily add to total because of rounding.

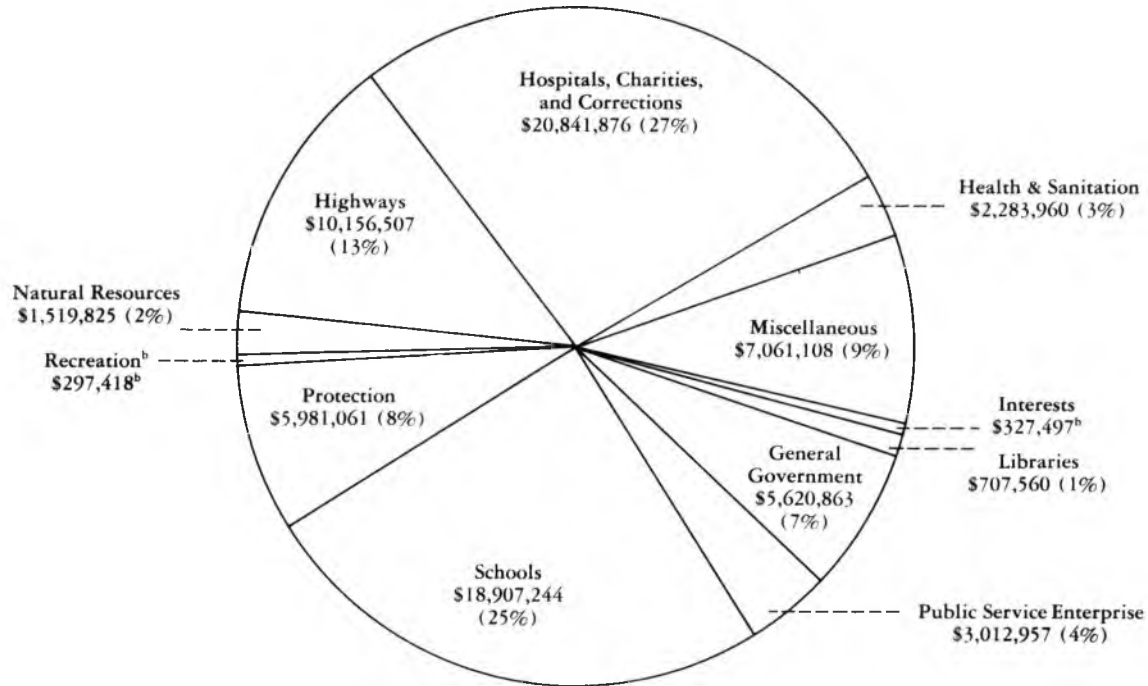
^b Less than 0.5%.

SOURCE: *Territorial Auditor's Report.*

GOVERNMENTAL COST PAYMENTS^a

TERRITORY OF HAWAII

FISCAL 1950



1950—\$76,717,877

^a Detail will not necessarily add to total because of rounding.

^b Less than 0.5%.

SOURCE: *Territorial Auditor's Report*.

GENERAL FUND EXPENDITURES BY FUNCTIONS¹
TERRITORY OF HAWAII

Divisions of Government	1941-1943	1943-1945	1945-1947	1947-1949	Estimated 1949-1951
A. Cost Payments					
General Government.....	\$ 2,490,361	\$ 3,251,735	\$ 5,405,432	\$ 6,893,779	\$ 8,459,667
Protection to Persons and Property.....	2,289,828	1,152,005	2,006,387	2,153,943	4,506,091
Highways.....	70,691	209,901	398,052	486,899	949,428
Conservation of Natural Resources.....	781,290	927,711	1,413,958	1,785,211	2,545,600
Health and Sanitation.....	1,416,982	1,969,703	2,727,457	3,587,311	3,572,782
Hospital and Institutions for Handicapped.....	3,798,103	5,057,999	9,030,512	13,198,404	14,247,530
Charities.....	160,699	208,523	253,173	2,441,574	13,586,605
Correction.....	1,108,950	1,349,086	2,200,908	2,665,843	3,408,519
Schools.....	14,745,432	17,987,233	25,199,413	30,974,274	33,606,213
Libraries.....	513,126	625,364	746,579	1,189,937	1,710,964
Recreation.....	39,553	53,606	80,205	158,252	265,044
Miscellaneous.....	2,807,315	4,153,001	5,392,797	8,187,396	9,318,495
Public Service Enterprises.....	484,987	653,212	232,208	988,400	1,273,056
Interest.....	2,363,358	2,110,960	1,094,976	626,911	898,719
Total: Cost Payments.....	\$33,070,675	\$39,710,039	\$56,182,056	\$75,338,134	\$ 98,348,713
B. Non-Cost Payments					
Debt Obligations.....	\$ 2,675,851	\$ 8,452,651	\$ 3,348,577	\$ 1,622,000	\$ 1,622,000
To Other Civil Divisions.....	1,107,000	774,065	7,338,378	77,441	1,672,839
Others.....	354	26,112	23,990	47,611	.....
Total: Non-Cost Payments.....	\$ 3,783,205	\$ 9,252,828	\$10,710,945	\$ 1,747,052	\$ 3,294,839
C. Transfer Payments					
Transfers to Other Funds.....	\$	\$ 144,939	\$ 4,181,663	\$	\$ 400,000
Total: General Fund Expenditures.....	\$36,853,880	\$49,107,806	\$71,074,664	\$77,085,186	\$102,043,552

¹ Includes Departmental Operations, including Employees' Bonus, in addition to Special and Continuing Appropriations and transfers from General Fund to Special Funds.

Source: Bureau of the Budget, Budget Documents.

GENERAL FUND EXPENDITURES — TERRITORY OF HAWAII

By Departments

Dept. or Activity	1941-43	1943-45	1945-47	1947-49	1949-51 ¹
Agriculture & Forestry.....	\$ 696,052	\$ 673,656	\$ 1,011,121	\$ 1,304,609	\$ 1,337,788
Attorney General	111,963	133,493	210,335	309,130	356,514
Auditor	270,668	330,376	332,864	372,737	387,597
Bureau of the Budget.....	73,964	119,415	146,161	163,371	175,643
Civil Service & Classification.....	87,642	81,574	112,583	134,953	160,738
Disaster Relief Agency.....					23,233
Emp. Retirement System.....	1,369,413	2,235,462	3,261,484	5,419,392	5,446,201
Executive Department	91,739	75,586	551,671	189,718	314,749
Harbor Commission	585,840			123,816	155,885
Hawaii Equal Rights Comm.....	16,301				
Hawaii Visitors Bureau.....				75,000	500,000
Hawaiian Homes Commission.....	161,338	96,758	110,662	162,279	198,669
Health, Board of.....	2,371,515 ²	3,204,952 ²	3,696,101 ²	5,365,110 ²	5,450,141 ²
High Sheriff					6,000
Institutions, Dept. of.....	2,570,413	3,243,998	4,244,124	6,076,294	7,532,970
Judicial Department	84,153	901,365	1,170,996	1,600,040	1,739,359
Labor & Ind. Relations Dept.....	173,013	245,721	300,742	397,401	429,889
Legislature	223,989				
Libraries	515,902	620,711	583,335	761,041	915,234
National Guard	441,339	142,322	243,368	470,626	658,456
Public Archives	34,795	48,366	58,048	67,956	73,752
Public Instruction	13,785,327	16,433,842	17,917,712	22,660,679	24,226,738
Public Lands Dept.....	384,069	992,234	838,289	928,652	489,192
Public Welfare Dept.....	1,978,315 ³	3,201,317 ³	5,664,709 ³	8,036,344 ³	12,745,047
Labor Works, Dept. of.....	376,180	407,756	613,728	1,045,326	938,795
Quasi-Public Institutions	1,125,000	1,739,181	3,897,991	5,635,850	6,922,099
Radio Commission	30,298	37,976	41,399	51,463	48,068
Secretary of Hawaii.....	80,818	107,887	124,161	170,360	183,100
Sight Conserv. & Work with Blind	76,227		171,184	264,929	259,438
Office of Surveyor..... ⁴		147,274	171,979	237,914	289,757
Tax Commissioner	1,049,356	1,495,798	1,589,816	2,009,941	2,243,961
Treasury Department	5,229,886	5,170,912	4,942,929	2,936,673	3,273,591
University of Hawaii.....	1,033,627	1,616,861	2,343,242	3,406,675	4,340,085
Council Vets' Affairs.....			91,424	158,694	144,049
Child & Youth Comm.....					10,000
Add. Compensation (Bonus).....			6,874,494	6,307,457	6,483,975
Miscellaneous	19,848		1,043	7,705	
Totals: General					
Operating Departments	\$35,048,990	\$43,504,794	\$61,317,695	\$76,852,135	\$88,460,713
Misc. & Continuing Appropriations			355,091	615,198	1,195,919
Total: General Fund.....	\$35,048,990	\$43,504,794	\$61,672,786	\$77,467,333	\$89,656,632

¹ Estimated.

² Includes Hospitals & Settlements.

³ Public Welfare financed from Special Funds prior to 1949; included for comparison.

⁴ Expenditures included under Department of Public Lands.

Source: Bureau of the Budget, *Summary of General Fund Expenditures*.

PUBLIC SCHOOL EXPENDITURES IN HAWAII
1942 - 1950

	Territorial¹	County²	Total	Per Capita³	Per Student in ADA
1942	\$ 6,871,319	\$ 1,081,444	\$ 7,952,763	\$18.12	\$ 91.79
1943	7,275,776	1,116,890	8,392,666	18.79	107.37
1944	7,803,346	1,183,872	8,987,218	19.77	115.09
1945	9,132,355	1,022,680	10,155,035	21.96	131.59
1946	10,906,941	1,793,989	12,700,930	27.01	164.02
1947	11,600,356	1,672,497	13,272,853	28.41	170.44
1948	13,532,504	2,409,435	15,941,939	32.46	202.31
1949	13,580,082	2,579,720	16,159,802	33.56	199.25
1950	14,017,881	2,565,834	16,583,715	35.46	195.61

¹ Federal funds are included. Figures are for fiscal year ending June 30.

² Figures are for prior calendar years except for 1949 and 1950 which are fiscal years ending June 30.

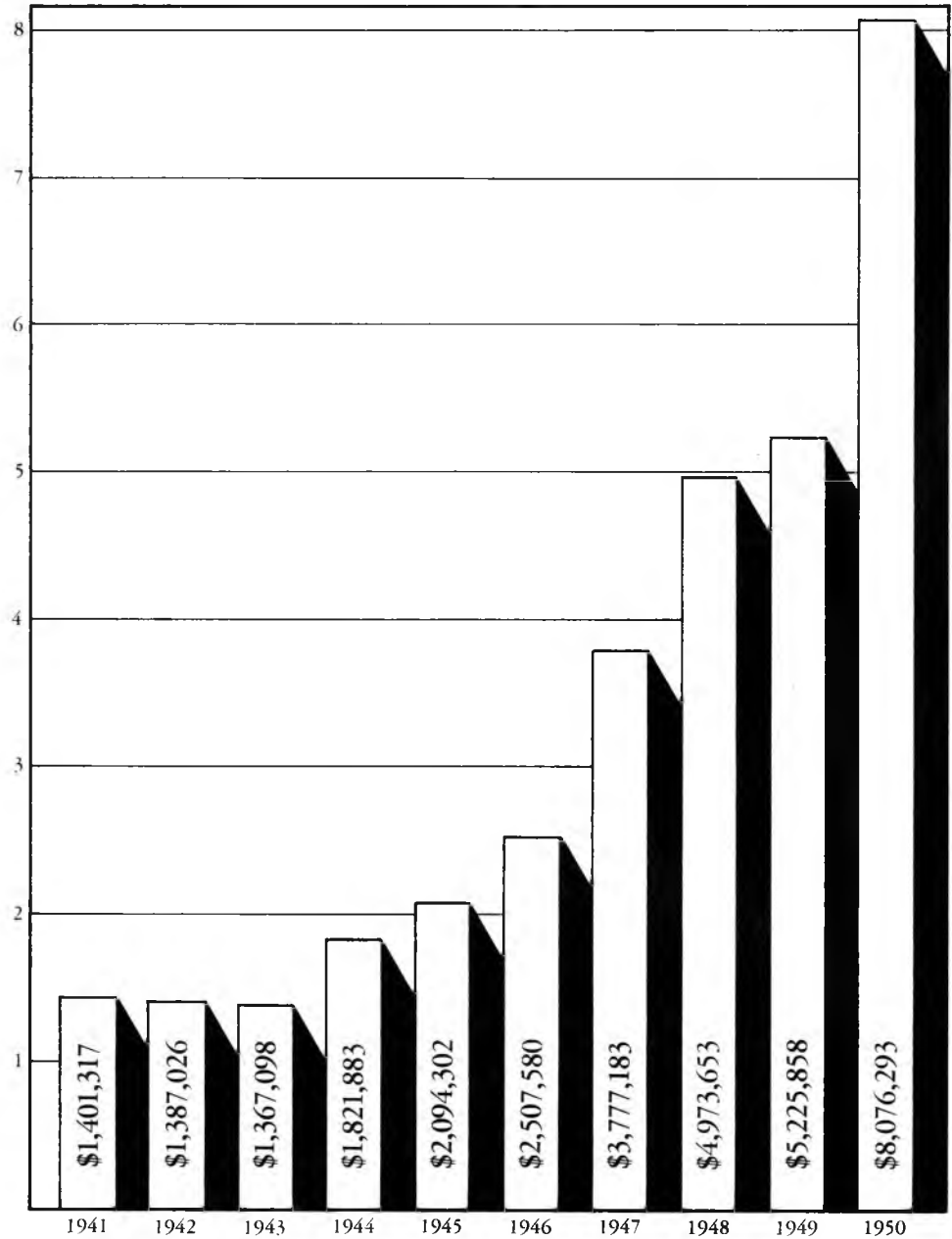
³ Excludes armed forces.

Source: Annual Reports of Department of Public Instruction.

PUBLIC ASSISTANCE EXPENDITURES^a

DOLLARS
(Millions)

TERRITORY OF HAWAII
FISCAL YEARS 1941-1950



^a Includes Federal Funds.

SOURCE: *Legislative Reference Bureau*: Preliminary Administrative Survey, Department of Public Welfare, Territory of Hawaii, January 19, 1951.

GENERAL FUND EXPENDITURES

Department of Institutions

Division	1941-43	1943-45	1945-47	1947-49	Estimated 1949-51
Office of the Director.....	\$ 51,291	\$ 81,432	\$ 132,387	\$ 145,079	\$ 149,024
Territorial Hospital	961,206	1,179,968	1,691,868	2,331,222	3,186,718
Waimano Home	467,691	741,836	988,635	1,289,436	1,334,655
Kawailoa Girls' School	206,572	237,059	338,499	393,588	493,034
Waialeale Boys' School	211,018	262,529	360,551	419,864	423,289
Oahu Prison	443,085	491,748	620,609	809,804	951,695
Olinda Prison Camp	39,669	77,930	72,867	88,991	124,363
Kulani Prison Camp			355,274	523,209	622,945
Waiakea Prison Camp	46,378	97,078	54,836		
Koolau Boys' Home.....					313,405
Division of Parole and Home Placement.....	73,660	111,484	141,301	194,074	195,374
Board of Parole and Pardons.....	48,183	46,920	66,196	84,792	107,309
Prisoners' Compensation	15,770	13,092	11,879	18,000	21,000
Transportation—Impecunious Persons			6,406	6,465	9,334
Kanaio-Kalama Park Road Camp.....				82,736	
Totals	\$2,564,523	\$3,341,076	\$4,841,308	\$6,387,260	\$7,932,145

Source: Bureau of the Budget—Budget Documents.

COUNTY GOVERNMENT COST PAYMENTS¹

(In Thousands)

	1941	1942	1943	1944	1945	1946	1947	1948	1949
General Government	\$ 1,270	\$ 1,230	\$ 1,405	\$ 1,874	\$ 2,189	\$ 1,985	\$ 2,582	\$ 2,351	\$ 2,889
Public Safety	2,206	2,571	2,797	3,338	3,748	3,968	4,378	5,282	5,462
Health	161	181	187	223	198	657	907	1,153	1,130
Sanitation	584	827	1,177	2,367	1,496	1,528	2,061	6,522	3,877
Highways	2,456	1,937	2,310	2,503	2,512	3,485	4,300	5,053	6,067
Charities, Hospitals, Corrections	1,722	1,715	1,984	2,353	2,326	2,027	2,567	2,943	3,079
Education	1,329	1,043	1,117	1,214	1,567	2,286	2,435	2,602	3,070
Recreation	620	530	560	691	801	1,035	2,225	4,546	2,790
Miscellaneous	650	741	1,385	2,361	3,179	3,335	3,280	3,042	3,264
Public Service Enterprises ²	232	248	394	473	527	419	544	1,086	842
Interest	738	780	849	799	388	341	303	311	366
Total	\$11,967	\$11,802	\$14,165	\$18,196	\$18,932	\$21,068	\$25,583	\$34,892	\$32,835

¹ Detail does not necessarily add to total due to rounding.

² Excludes expenditures of Honolulu Board of Water Supply & Suburban Water Systems which are self-supporting.

Source: County Auditors' Annual Reports.

BONDED DEBT — TERRITORY OF HAWAII

At December 31, 1950

Bond Issues	Authorized	Issued	Unissued
Prior to 1943.....	\$ 5,675,500	\$ 5,675,500	
1943			
Molokai Water Works.....	2,500,000		\$ 2,500,000
1947			
Hawaii County Highways.....	5,850,000	4,356,000	1,494,000
Territorial Improvements.....	12,623,700	11,478,000	1,145,700
City and County of Honolulu.....	4,008,000	4,008,000	
County of Maui.....	2,000,000	1,050,000	950,000
County of Hawaii.....	1,232,000	665,000	567,000
County of Kauai.....	450,000	160,000	290,000
1949			
Territorial Improvements.....	4,820,750	1,420,000	3,400,750
City and County of Honolulu.....	5,000,000	2,548,000	2,452,000
County of Maui.....	1,500,000	425,000	1,075,000
County of Hawaii.....	2,500,000	600,000	1,900,000
County of Kauai.....	1,000,000	40,000	960,000
Honolulu Airport.....	442,570		442,570
Airports—Maui and Kalawao Counties.....	251,050	94,000	157,050
Airports—County of Hawaii.....	546,925		546,925
Airports—County of Kauai.....	401,225	206,000	195,225
Kawaihae Terminal.....	1,000,000		1,000,000
Civilian Conservation Corps.....	3,000,000		3,000,000
Totals	\$54,801,720	\$32,725,500	\$22,076,220

SUMMARY

Bonds Issued and Outstanding.....	\$32,725,500
Bonds Authorized but Unissued.....	22,076,220
Total	\$54,801,720
Constitutional Debt Limit ¹	50,000,000
Bonds Authorized in Excess of Constitutional Limit.....	\$ 4,801,720

¹ Public Law 407, 81st Congress, U. S.

Source: Treasurer, Territory of Hawaii.